

September 14, 2012

Sent only via e-mail to: timothy.n.schott@maine.gov

Timothy Schott, Deputy Superintendent
Maine Bureau of Insurance
Department of Professional and Financial Regulation
34 State House Station
Augusta, ME 04333-0034

Dear Tim and other members of the Bureau discussion group

Thank you for allowing us the opportunity to participate in the continuing dialogue on LD 1717, an Act To Establish a Preneed Life Insurance Producer License and Preneed Life Insurance Product for Prearranged Funeral Plans. We thought the meetings were very well conducted and offered all interested parties an opportunity for frank discussion and ample debate. We were glad to have taken part in the process to-date.

Understanding that the Maine Bureau of Insurance will now be making recommendations to the Joint Standing Committee on Insurance and Financial Services, we want to make our recommendations to you for hopeful inclusion in your final considerations and the report to the committee:

Regarding commissions: We feel you must give those funeral providers that do want to receive commissions as insurance producers a chance to do so and not continue to permit this choice to be negated by those funeral providers who do not want to receive commissions. By providing such a choice, nothing would force any funeral provider to receive commissions, but the choice should be there.

We see commissions for funeral director agents working well in the industry and see no need for them to not be available in Maine.

Regarding a limited license: As I noted in our earlier submission, limited licensing for preneed agents is a widely accepted practice. Of the forty-eight states where preneed insurance is sold and a commission is available, there are fourteen states that permit a limited license. The other thirty-four states require full licensure.

Homesteaders Life does business in all forty eight of those states and either arrangement works effectively. In our experience though, if commissions are made available to funeral provider insurance agents, limited licensing is the next logical progression in the maturation of this market.

Funeral providers will be limited agents serving a particular purpose for which the regular insurance exams and requirements become unnecessarily burdensome and an ill-fit. Limited line licensing allows for a more targeted examination, different continuing education requirements and a simplified renewal process.

Every day throughout this country folks are walking into funeral homes to plan their funeral and most want to also fund it. In Maine they are not offered an insurance funding option simply because the law now restricts commissions for funeral directors. We feel that is unfortunate for all concerned.

Homesteaders wants to go to work in Maine selling preneed insurance and so do our funeral director agents. We need your help in making that happen.

Sincerely

A handwritten signature in black ink that reads "Gerry Kraus". The script is fluid and cursive, with the first letters of "Gerry" and "Kraus" being capitalized and prominent.

Gerry Kraus